

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 /029 W

----- 080103

R 190914Z MAY 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3410

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

UNCLAS KUALA LUMPUR 2854

E.O. 11652: N/A

TAGS: ELAB MY

SUBJ: PLANTATION WORKERS GET PAY BOOST

1. SUMMARY. THE NATIONAL UNION OF PLANTATION WORKERS (NUPW) SIGNED AN AGREEMENT WITH THE MALAYAN AGRICULTURAL PRODUCERS' ASSOCIATION (MAPA) MAY 17 UNDER WHICH 200,000 PLANTATION WORKERS WILL RECEIVE A TOTAL OF ABOUT MALAYSIAN DOLLARS 33 MILLION ANNUALLY IN PAY INCREASES. THIS IS THE MOST SIGNIFICANT PRIVATE COLLECTIVE BARGAINING AGREEMENT IN MALAYSIA IN SEVERAL YEARS. END SUMMARY.

2. THE NUPW, THE LARGEST LABOR UNION IN MALAYSIA AND ONE OF THE OLDEST AND MOST INFLUENTIAL (ITS PRESIDENT IS P.P. NARAYANAN, PRESIDENT OF THE ICFTU THIS YEAR), AND THE NAPA ANNOUNCED MAY 17 THAT THEY HAD SIGNED A THREE-YEAR AGREEMENT, RETROACTIVE TO JAN 1, 1976, UNDER WHICH ABOUT 200,000 RUBBER AND OIL-PALM PLANTATION WORKERS WILL RECEIVE BONUSES AND PERMANENT PAY RAISES WHICH WILL TOTAL ABOUT MALAYSIAN DOLLARS 33 MILLION (U.S. DOLLARS 13,200,000) PER YEAR. THE PAY RAISES WILL BE GRADUATED, RANGING FROM 10 TO 40 PERCENT, WITH THE LOWEST PAID WORKERS RECEIVING THE LARGEST INCREASES, IN A COMPLICATED SYSTEM BASED PARTLY ON THE WORLD PRICES OF RUBBER AND PALM OIL; THE AVERAGE DAILY EARNINGS OF A PLANTATION RUBBER TAPPER WILL NOW

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BE MALAYSIAN DOLLARS 8.55 (U.S. DOLLARS 3.42). ANOTHER

PROVISION OF THE AGREEMENT GRANTS EQUAL PAY FOR ABOUT 20,000 WOMEN WORKERS. THE AGREEMENT FORMALLY COVERS THE 150,000 EMPLOYEES OF MAPA MEMBER COMPANIES AND AN ADDITIONAL 50,000 EMPLOYEES OF COMPANIES WITH WHOM THE NUPW HAS AN UNDERSTANDING ABOUT IMPLEMENTING NUPW-MAPA COLLECTIVE AGREEMENTS. THE 200,000 WORKERS COVERED INCLUDE ABOUT 80 PERCENT OF THE TOTAL PLANTATION WORK FORCE IN MALAYSIA.

3. ACCORDING TO MARAYANAN, THE AGREEMENT WAS CONCLUDED AFTER ELEVEN MONTHS OF HARD BARGAINING. MAPA PRESIDENT TAN SRI GAN TECK YEOW NOTED THAT THE AGREEMENT WAS CONCLUDED WITHOUT THE ASSISTANCE OF THIRD PARTIES AND ATTRIBUTED THIS TO THE "MATURITY OF THE PARTIES CONCERNED AND THE DEGREE OF UNDERSTANDING AND GOODWILL BETWEEN THEM." THIS AGREEMENT IS THE FIRST SIGNIFICANT EXAMPLE OF COLLECTIVE BARGAINING IN MALAYSIA IN RECENT MEMORY. IT IS INTERESTING, AND TYPICAL OF THE INDIAN-DOMINATED LABOR MOVEMENT HERE, THAT THE PLANTATION WORKERS COVERED ARE OVERWHELMINGLY MALAYSIAN INDIANS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COLLECTIVE BARGAINING AGREEMENTS, AGRICULTURAL WORKERS, WAGE RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUALA02854
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760194-0619
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760538/aaaabgbj.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 29 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 JUN 2004 by mendozsm>; APPROVED <27 JAN 2005 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PLANTATION WORKERS GET PAY BOOST
TAGS: ELAB, MY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006